Planning Commission show that in respect of cotton textile industry, for instance, cost of electricity constitutes only 1.6 per cent of the total cost of production. The increase of 10 per cent in the tax on consumption now proposed will thus entail an increase in cost of production of only 0.16 per cent, which can be absorbed by the industry. As regards aluminium industry at the other extreme, the cost of electricity accounts for about 16.7 per cent of the total cost of production and the rate of increase now proposed is therefore only 5 per cent. Even with this increase, there will be a rise in cost of production of only 0.83 per cent, which again is not too large. We have also specially provided for the exemption of new industries for a period of three years. The increase of 10 per cent in tax on power utilised for agricultural purposes will mean an increase of only of 0.82 paise per unit, which the agriculturists should not grudge paying in the present acute phase of the emergency.

6. In respect of increase in rates of sales tax too, the House will notice that we have taken special care to exclude the large number of small dealers with turnover of up to Rs. 50,000. They will continue to pay at the existing rates of composition and will thus not feel the impact of the enhancement now proposed. The exclusion of foodgrains from the purview of current enhancement is also intended to ensure that there is no impact on one of the major components of the cost of living index of the common man.

7. The emergency surcharge on land revenue and water rates should be appreciated against the background of the present tension on our borders and the need to ensure a small measure of contribution from all sections of the people to the fulfilment of a defence oriented Plan. The State Government stand committed to stepping up outlays on programmes such as Minor Irrigation and Rural Electrification, which will serve to step up agricultural productivity. Many of the Social Service Programmes such as those relating to Elementary and Secondary Education and Rural Water-supply, will also benefit predominantly the rural areas. In this hour of serious threat to our freedom and our way of life, our agriculturists, whose sense of patriotism and devotion to Motherland are well-known, should not grudge making a small contribution towards programmes calculated to strengthen the economy of the country and thereby enable it to face the challenge posed by the aggressor with confidence.

8. With these words, I commend the Second Supplementary Estimates for the acceptance of this House.

(2) PRESENTATION OF THE STATEMENT OF DEMANDS FOR GRANTS FOR EXCESS EXPENDITURE IN 1962-63.

THE HON. SRI R. VENKATARAMAN: Mr. Chairman, Sir, I rise to present the Statement of Demands for excess expenditure relating to the year 1962-63, covering cases where, under certain grants, the actual expenditure was found to be in excess of the final sanctioned appropriation for that year.

[Sri R. Venkataraman] [8th November 1965

2. The Public Accounts Committee for 1964–65, having examined these cases of excess expenditure, has in paragraph 27 of its Report on the Accounts of the State of Madras for 1962–63, recommended that Demands for Grants for excess expenditure, as listed in Appendix VII of their Report, may be presented to the Legislature for approval. Further, in paragraph 26 of its Report, the Public Accounts Committee has urged the need for prompt reconcilation of departmental figures with those of the Accountant-General so as to rectify the misclassification of certain expenditure relating to Grant No. XXVII. Public Works—Works. The reclassification of expenditure has since been completed and has revealed a further excess expenditure of Rs. 3,71,412 under the grant, which has also to be regularized. It is in pursuance of these recommendations of the Public Accounts Committee that the Statement of Demands for Grants to cover excess expenditure relating to the year 1962–63 is presented now. The annexure to the Statement of Demands details the reasons for the excess in each case. The excess under different grants aggregates to about Rs. 1.11 crores and the approval of the Legislature is sought to regularize this excess.

3. I commend for acceptance by this House, of the Statement of Demands for Grants for excess expenditure relating to the year 1962–63.

VI.—GOVERNMENT MOTION.

ELECTION OF ONE MEMBER TO THE BOARD OF INDUSTRIES.

THE HON. SRI R. VENKATARAMAN : Mr. Chairman, move—

"That in accordance with section 3 (1) (b) of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923) as amended and rule XXII (3) of the Rules framed under the Act, this Council do proceed on a date to be fixed by the Chairman to elect one person to be the Council's representative on the Board of Industries constituted under the Act in the vacancy of Sri K. Kamalakannan which would be arising with effect from 14th November 1965."

MR. CHAIRMAN : The question is—

"That in accordance with section 3 (1) (b) of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923) as amended and rule XXII (3) of the Rules framed under the Act, this Council do proceed on a date to be fixed by the Chairman to elect one person to be the Council's representative on the Board of Industries constituted under the Act in the vacancy of Sri K. Kamalakannan which would be arising with effect from 14th November 1965."

The motion was put and carried.